Info Session Date and Location
March 1, 2005
Super 8 Motel
9500 Alaska Way, Fort St. John, B.C.

Attendees

<table>
<thead>
<tr>
<th>Name</th>
<th>Interest/Organization</th>
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<tr>
<td>Ev Hamelin, Fort St. John</td>
<td>Interested Citizen</td>
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<tr>
<td>Leigh Summer, Hudson’s Hope</td>
<td>Interested Citizen</td>
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<td>Lenore Harwood, Hudson’s Hope</td>
<td>Mayor, Hudson’s Hope</td>
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<td>Wally Harwood, Hudson’s Hope</td>
<td>Interested Citizen</td>
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<td>Wally Gentles, Fort St. John</td>
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<td>Jean Leahy, Fort St. John</td>
<td>Interested Citizen</td>
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<td>Bruce Lantz, Fort St. John</td>
<td>Northeast News</td>
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<td>Ernie Freeman, Burns Lake</td>
<td>Peace Energy Coop</td>
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<td>David Lebeter, Edmonds</td>
<td>BC Hydro</td>
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<td>Renee Ardill, Fort St. John</td>
<td>Ardills Ranch</td>
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<td>Sorrel Schroeder, Hudson’s Hope</td>
<td>Ardills Ranch</td>
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<td>Tony Atkins, Fort St. John</td>
<td>Peace Valley Environmental Association</td>
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<td>Deborah Peck, Hudson’s Hope</td>
<td>Peace Valley Environmental Association</td>
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<td>Ross Peck, Hudson’s Hope</td>
<td>Peace Valley Environmental Association</td>
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<td>Jim Little, Fort St. John</td>
<td>Peace Valley Environmental Association</td>
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<td>Arlene Boon, Fort St. John</td>
<td>Peace Valley Environmental Association</td>
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<td>Ken Hall, Charlie Lake</td>
<td>Custodians of the Peace</td>
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<td>Howard Madill, Fort St. John</td>
<td>Interested Citizen</td>
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<td>Ruth Hanson, Charlie Lake</td>
<td>Peace Valley Environmental Association</td>
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<td>Brian S. Hill, Fort St. John</td>
<td>Standard Radio/NTV</td>
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<td>Saleari Velibeaucion, Hudson’s Hope</td>
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<td>Eliza Stanford, Fort St. John</td>
<td>Interested Citizen</td>
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<td>Randal Hadland, Fort St. John</td>
<td>Peace Valley Environmental Association</td>
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<td>Tara Forest, Charlie Lake</td>
<td>Naturalists Club</td>
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<td>Gerry Leering, Fort St. John</td>
<td>Interested Citizen</td>
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<td>Ruth Ann Darnall, Fort St. John</td>
<td>Peace Valley Environmental Association</td>
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<td>Dave Read, Prince George</td>
<td>Peace River Regional District</td>
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<td>Ron Mawhinney, Fort St. John</td>
<td>Interested Citizen</td>
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Meeting notes are intended to capture main themes of the conversation. They are not intended to be a verbatim transcript of the proceedings.
Discussion Highlights
The following were the key issues raised at the Fort St. John information session.

- **Strong opposition to developing Site C.** There was a high level of concern for the personal, environmental, wildlife and aquatic impacts from developing large hydro in the Peace River Valley. Participants recommended BC Hydro strongly consider improving and retrofitting in order to extend the lives of existing facilities. Specifically, it was argued that every effort should be made to keep Burrard Thermal online beyond the 2014 target date.

- **Put more money into research and development.** It was recommended that BC Hydro also focus more on research into new technologies for energy generation, such as sour gas flaring and agricultural digesters, as well as wind, solar and other technologies before large hydro.

- **Take advantage of existing energy sources.** For example, maximize the use of biomass.

- **Try to maintain low/reasonable cost of electricity when developing new resource options.**

- **High value placed on the environment and sustainability.** There was a high level of support for conservation initiatives and demand side management, that is, Power Smart, stepped rates, etc.

- **Full life cycle cost accounting should be used whenever possible when evaluating resource options.**
Regional equity. Participants expressed concern that the load centre was not assuming any of the risks/impacts from resource development, and that those areas in which energy is generated should receive some local benefits. Perhaps scale benefits in relation to the size and weight of the footprint of any new development. There was also discussion about the need to address transmission line losses due to distance to load centre.

Support for BC Hydro remaining publicly owned, but also for the development of IPPs as suppliers.

1. Introduction/Overview
Dave Conway welcomed everyone on behalf of BC Hydro and introduced Integrated Electricity Plan (IEP) team members: Mary Hemmingsen, Rohan Soulsby, Michael Harstone and Cam McAlpine. He also introduced Lesley Wood, attending on behalf of the BC Transmission Corporation (BCTC), and Dave Lebeter, new General Manager of Peace River Generation.

Dave Conway gave a brief explanation of what is involved in BC Hydro’s Integrated Electricity Planning (IEP). He noted that anyone is able to provide input on the IEP, either at the meeting or later by mail, email, phone etc. He then handed the meeting over to Rohan to provide an overview presentation on the IEP process.

Gwen Johansson, northern representative on the provincial IEP committee, also welcomed everyone and asked them to ensure they bring their input and feedback either to BC Hydro or to her.

2. IEP Presentation
Rohan provided an overview of the Integrated Electricity Plan and of BC Hydro’s Engagement Plan for 2005. Highlights of the presentation are as follows:

- The IEP is a twenty-year plan, updated every two years, that describes how BC Hydro will meet customers’ needs for electricity. It is estimated electricity consumption will grow at a rate of about 1.5 per cent per year.
- The B.C. government has stipulated BC Hydro will not be developing new supply beyond efficiency improvement at existing facilities and projects already in the planning stages, but that it would be part of the planning process, and would issue calls for proposals from Independent Power Producers (IPPs).
- The established objectives of BC Hydro include: the ability to meet all domestic electricity needs and only to engage in electricity imports when it is economically advantageous to do so, no net incremental environmental impact, maintaining a low cost position in North America, and to work within a western North American trade network to leverage trade opportunities that are to BC ratepayers’ advantage.
- There is an identified need to fill the gap between the available supply and the expected future demand for energy and capacity - a gap that widens significantly after about 2014.
- There are a number of Resource Options available to BC Hydro to produce electricity, including but not limited to: biomass, coal, cogeneration, large hydro, natural gas, Power Smart, small hydro, tidal, wave and wind power.
- Each Resource Option is available to differing degrees in different parts of the province.
• Resource Options will be combined in a variety of different ways (portfolios) according to stakeholder input and will be compared before selecting a preferred portfolio that best meets BC Hydro’s needs, and then filed as a Resource Options Report to the BC Utilities Commission (BCUC) in May 2005.

• Following further stakeholder engagement, an IEP Action Plan that identifies the short-term steps to meet the long-term vision of the preferred portfolio will then be created. This Action Plan will support BC Hydro’s regulatory filings with BCUC, including the Resource and Expenditure Acquisition Plan (filed by the end of 2005) and the Revenue Requirements (filed in February 2006).

• The 2004 IEP process preceded and provided direction for the 2005 IEP process. The preferred portfolio at the time confirmed the direction of the Power Smart program, the sending out of calls for tenders on Vancouver Island, the ongoing investigation of the Burrard Thermal facility and Site C options, and a new round of stakeholder engagement.

• General feedback from First Nations during the 2004 IEP process included: a desire to be engaged earlier, a request that historical grievances be addressed, some interest in remote electrification and reliability of service to First Nations communities, concern about the impacts of transmission lines, interest in revenue sharing, and an interest in seeing full cost accounting (life cycle costing) of environmental impacts.

• General feedback from other stakeholders during the 2004 IEP process included: support for triple bottom line planning, high value placed on the environment but higher priority placed on reliability and cost, support for IPPs, and support for maintaining public ownership of BC Hydro.

• Feedback from the north in 2004 showed support from some areas for low cost, but not at the expense of reliability and environment, while other areas supported environmental goals, but not at the cost of increased rates. There was also strong support for reliable supply and mixed views on increasing electricity exports.

• The 2005 IEP will build on what was learned during the 2004 process, eliciting further input on values around electricity choices for B.C.’s future. It was stressed that BC Hydro must be able to demonstrate that feedback and input was listened to and is being implemented where appropriate.

• The current stakeholder engagement process includes: a website survey, regional information sessions and workshops, a parallel First Nations information and workshop process, a provincial committee that is taking all the information and input and developing a preferred portfolio, and resource options workshops to ensure the resource options database is complete.

2.1 Questions and Answers about IEP Presentation

What will the impacts be on employment opportunities for Hydro workers from any energy imports?

The response was BC Hydro will not be modifying the size of its workforce as a result of any short-term market purchase decisions.
How were BC Hydro’s stated objectives established?
An executive at BC Hydro developed them. It was noted that they are still under development and that BC Hydro understands that they need broad acceptance. Part of the 2005 process is to elicit feedback on those objectives.

Do customer reliability and the ability to meet domestic needs mean we are not looking at electricity export?
The response was that BC Hydro is working first to ensure domestic demand is met. There is provision in the Heritage Contract for the first $200 million in trade revenue to benefit the ratepayers of BC. To the extent that there is trade activity, the benefits of that activity will be returned to the ratepayers. Also, Site C capacity is being considered in the context of domestic load. Site C would be expected to provide for another five years of domestic load.

Site C plans all include the same information that was developed during the planning process of the 1970s. But what about the fact they weren’t concerned with the objectives of environmental impact in the 70s?
The response was that the new planning process will integrate the issue of environmental impact into all decision-making.

What made you change your mind about the viability of Burrard Thermal?
The response was that the level of capital investment is increasing and that the return will eventually not support the investment.

Are you planning to physically replace the Burrard plant?
That’s one option that is being considered.

Is there a chance that the government will finally eliminate all beehive burners and therefore open up more opportunities for biomass and cogeneration?
There is no indication that shutdown deadlines are being accelerated, however, industry is being offered incentives to shutdown their burners in a timely fashion and to convert to cogeneration.

Why was solar power not included in the resource options?
Solar power is included as a resource option for the IEP. Solar power is attractive in some jurisdictions, but it is not an economic resource of utility scale in many parts of B.C.. However, BC Hydro is introducing net metering, and the primary subscribers are solar-based.

Load forecasts were extremely high in the 1970s and were used to justify large hydro projects such as Mica and Revelstoke and Site C. Those forecasts were wrong, so why should we believe you now?
The response was that the annual load growth in the forecasts in the 1970s was in the ten per cent range, while today they are closer to 1.5 per cent. BC Hydro believes these are more reasonable forecasts.

How long is "long-term planning" for mitigating environmental impacts?
The long-term goals have a time horizon of 20 years consistent with the IEP.
How long is “life costing” used in calculating the triple bottom line?
The response was that the approach BC Hydro is taking is to gradually extend calculations in a
staged manner, rather than trying to estimate a “right” number.

How do you define biomass in relation to beehive burners?
One kind of biomass is a direct resource such as slash and other fibre from the forest, which
produces a “neutral” pollution impact; another kind is something like municipal waste, which
is subject to pollution controls.

Why isn’t underground geothermal steam generating capacity considered in your resource
options?
Geothermal is strongly considered as a resource option, but it was just not mentioned
specifically at this information session presentation.

2.2 Recommendations following from IEP Presentation
There have been significant changes since Site C was last considered in the 1970s, so you
should not be using the information collected then in any decision-making today. Note: It
was further commented that the provincial government is currently rejecting proposals for
small hydro projects on the Peace River, and therefore Site C, as a large hydro project,
shouldn’t be allowed to go ahead for the same reasons.

You should focus your objective more on the broader western market, rather than focusing on
BC alone. The response was that BC Hydro is trying to do that.

The company should be called BC Energy, rather than BC Hydro. It’s a misnomer.

BC Hydro should have an elected board of directors, perhaps similar to the Wheat Board.

BC Hydro should remain fully publicly owned and should not be “cut up” and “piecemealed
away.”

We’ve made a lot of money from BC Hydro and more money should be put into researching
alternative energy options.

3. Group Exercise
Dave divided participants into two breakout groups. Dave facilitated one group, with Mary
acting as the supporting resource person. Michael facilitated the other group, with Rohan as
the supporting resource person.

The exercise was developed around the two following questions:

1. In developing future electricity resources, what are the most important factors to you?
2. Which of these factors would you be willing to pay more for?
3.1 What are the most important factors to you?

Group 1 Discussion Points
- Look at the current system to see if anything can be upgraded to gain efficiencies before looking at new developments.
- Take advantage of current opportunities first, that is, biomass.
- Small hydro is preferred over large hydro.
- Look at the system as a whole for environmental impacts (province-wide, full-cost accounting).
- Consider the full life span of individual projects in measuring their viability.
- Consider other factors (such as CO2 emissions) as well as how a project might affect things such as wildlife.
- Consider incentives to reduce “intensity” of electricity usage (demand side management).
- Downstream benefits must continue to be negotiated to ratepayers’ benefit.
- Mineral loss compensation.
- Public ownership of BC Hydro.
- Include all ancillary costs in estimates.
- Account for local environmental costs.

Group 2 Discussion Points
- Supplied energy must be affordable to all in the community.
- Look for ways to reduce negative impacts on the environment.
- Research new technologies and alternative energies.
- Reduce intensity of electricity usage.
- Improve electricity efficiency.
- Create more incentives to encourage ratepayers to practice conservation.
- Address line loss issues in transmission from north to south.
- Address regional inequities.
- Consider disincentives for electricity intensive users.
- Consider stepped rates as (dis)incentives, but in a way that’s fair and equitable.
- Look beyond pure economics when estimating costs.
- Look at future impacts (not just impacts now) on the environment and climate.
- Aesthetics are important as well.
- Consider the interrelationship between all important factors.
- Research.
- Demand side management.
- Conduct a more comprehensive review (possibly independent) of BC Hydro’s figures used in the IEP process.
- Tap into the potential of sour gas flaring and geothermal options.

3.2 Which of the above factors would you be willing to pay more for?

Group 1 Discussion Points
- There was some willingness to pay more in order to improve existing facilities (although there was a suggestion that retrofitting may help reduce costs).
- There was some willingness to pay for conservation and demand side management measures.
Group 2 Discussion Points

- Research.
- An expanded selection of resource options.
- Sustainability initiatives that preserved long-term environmental benefits.
- “Nothing” (Note: it was argued that ratepayers shouldn’t have to pay more because the current resource base should be able to be organized in some way to meet expected future demand.)
- Demand side management initiatives.
- Anaerobic digesters and other waste-based biomass options.

4. Summary of Meeting and Next Steps

Dave thanked everyone for coming. He noted that the input received would be summarized during the following day’s workshop and that it will also be brought forward to the provincial IEP committee. He said all notes would be available on the web site www.bchydro.com/iep and that feedback and follow-up actions would also be brought back at the follow-up workshop sessions in the fall. He noted a second workshop had been added and that there was limited availability for people who wanted to attend. Participants can also comment on the IEP process by phone, fax, mail and email. Dave also asked that participants fill out the provided feedback forms. He concluded by noting that the full IEP planning process would be run again in 2007 to follow up and build upon the 2005 plan.

Contact Details

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